UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

INDECK-YERKES LIMITED PARTNERSHIP) FE DOCKET NO. 02-28-NG

ORDER GRANTING BLANKET AUTHORIZATION TO IMPORT NATURAL GAS FROM CANADA

DOE/FE ORDER NO. 1774

MAY 7, 2002

I. DESCRIPTION OF REQUEST

On April 30, 2002, Indeck-Yerkes Limited Partnership (Indeck-Yerkes) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{1/2} and DOE Delegation Order Nos. 0204-111 and 204-127, for authorization to import from Canada up to 18 Bcf of natural gas over a two-year term, beginning on May 16, 2002.^{2/2} Indeck-Yerkes is a limited partnership under the laws of the State of Illinois with its principal place of business in Buffalo Grove, Illinois. Indeck-Yerkes will import the gas to be used as fuel for its 53.2 megawatt gas-fired, non-utility power generation facility located in Tonawanda, New York, under spot and short-term purchase arrangements. The proposed authorization does not involve the construction of new pipeline facilities.

II. <u>FINDING</u>

The application filed by Indeck-Yerkes has been evaluated to determine if the proposed import arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import of natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Indeck-Yerkes to import natural gas from Canada, a nation with which a free trade agreement is in effect, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This blanket Order authorizes transactions under contracts with terms of no longer than two years.

1/ 15 U.S.C. § 717b.

^{2/} Indeck-Yerkes's current blanket import authority granted by DOE/FE Order No. 1593 issued on May 16, 2000, (2 FE ¶ 70,488) expires on May 15, 2002.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Indeck-Yerkes Limited Partnership (Indeck-Yerkes) is authorized to import from Canada

up to 18 Bcf of natural gas over a two-year term, beginning on May 16, 2002, and extending through

May 15, 2004.

B. This natural gas may be imported at any point on the border of the United States and

Canada.

C. With respect to the natural gas imports authorized by this Order, Indeck-Yerkes shall file

with the Office of Natural Gas & Petroleum Import & Export Activities, within 30 days following each

calendar quarter, reports indicating whether imports of natural gas have been made. If no imports of

natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports

have occurred, Indeck-Yerkes must report total monthly volumes in Mcf and the average purchase

price of gas per MMBtu at the international border. The reports shall also provide the details of each

transaction, including: (1) the name of the sellers(s); (2) the estimated or actual duration of the

agreement(s); (3) the name of the U.S. transporter(s); (4) the point(s) of entry; (5) whether sales are

being made on an interruptible or firm basis; and, if applicable (6) the per unit (MMBtu)

demand/commodity/reservation charge breakdown of the contract price. [OMB NO.: 1901-0294]

D. The first quarterly report required by Ordering Paragraph C of this Order is due not later

than July 30, 2002, and should cover the period from May 16, 2002, until the end of the second

calendar quarter, June 30, 2002.

E. The quarterly reports required by Ordering Paragraph C of this Order shall be filed with the

Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, FE-34,

Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585. Issued in

Washington, D.C., on May 7, 2002.

Yvonne Caudillo

Acting Manager, Natural Gas Regulation Office of Natural Gas & Petroleum

Import & Export Activities

Office of Fossil Energy